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THE FOREIGN MARKET FOR U.S. COTTON

SOVIET AGRICULTURE TODAY

U.S. BULGUR IN AFRICA

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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With needs of cotton mills up both in Free World and Communist countries, and with foreign supplies somewhat down, considerably more U.S. cotton will move abroad during 1963-64.

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The FOREIGN MARKET for COTTON

By C. H. BARBER
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U.S. cotton exports are expected to make substantial gains in the current year to a total of 5 million bales, compared with last year's 3.4 million. The reasons for this improved outlook may be summarized as follows:

- Prices of U.S. cotton being sold under the CCC export sales program are fully competitive with those of most of the comparable qualities of foreign-grown cotton.
- Recent reports from abroad indicate that stocks were low in nearly all foreign countries, both importing and exporting, as the current season began.
- Cotton production in foreign Free World countries is expected to be about a half million bales below last year's record high of 21.9 million bales.
- Low production in the USSR for the second year in a row, plus inadequate production in Mainland China, is resulting in larger sales by the Western world to the Communist Blocs in Europe and Asia.
- A summary of consumption outlook figures received recently from 40 countries indicates a possible total increase of about three-fourths of a million bales in foreign non-Communist countries, with the largest increases expected in Japan, India, France, and Canada.

U.S. prices competitive and stable

Probably the most important factor in the improved export outlook is that ever since the competitive-bid export sales program for the 1963-64 season was announced late last March, U.S. cotton prices in world import markets have remained at levels competitive with those of other growths. C.i.f. prices, currently averaging around 26.5 cents for U.S. Middling 1-inch quality, have shown little change in recent months but are 1.2 to 1.6 cents a pound lower than a year ago. Prices of comparable foreign qualities are down by approximately one cent. Through November 6, CCC sales for export during the present season reached 3.0 million bales, including those under the supplementary payment-in-kind program, compared with PIK registrations of about 964,000 bales to approximately the same date a year ago. Other government programs designed to increase export trade include Public Law 480 Titles I and IV, under which payment for exported cotton is accepted in foreign currency (Title I) or in dollars using long-term credit (Title IV). The barter program and the short-term low-interest credit available from CCC are other means for export stimulation.

Prices of most competitive foreign growths are maintaining a firm tone close to the U.S. level, principally because of generally smaller surplus stocks carried over from last season, substantial forward sales of new-crop cotton, and smaller 1963 crops in a number of countries. Western European and Japanese mills are buying U.S. cotton for late fall and winter shipment in moderate volume.

Stocks low outside the U.S.

The low level of cotton stocks in nearly all foreign countries at the beginning of the current season provides a stimulus for 1963-64 U.S. cotton exports. Stocks in non-Communist importing countries were reduced in 1961-62 from 6.6 million to 5.6 million bales, and they remained low during 1962-63 except for an increase of 100,000 in India. No further general reduction in inventories is likely this year in importing countries, and moderate increases, mostly in India and Japan, may result in total end-of-season stocks about 300,000 bales above the 5.7 million of the beginning.

Inventories of cotton in non-Communist exporting countries were also low at the beginning of the current season. Thus, very little foreign-grown cotton has been available for export this market year until new crops began to arrive on the market late in 1963. This group of countries had about 3.7 million bales on hand on August 1, 1963, a decline of 200,000 from a year earlier. A further slight decline is expected in 1963-64, as selling for forward delivery has been heavy in most countries.

Although there are at present no strong inducements for buyers in importing countries to rebuild inventories this year to the average for recent years, such a move could result in about 1 million bales more world trade than would occur under current low-inventory policies. Most of this potential increase would probably be reflected in larger U.S. exports because foreign countries, under either condition, are expected to dispose of practically all their cotton available for export.

Foreign output down slightly

A slight decline of 500,000 bales in foreign non-Communist production is attributed to the fact that yields per acre in most countries were below the all-time record attained in 1962-63 and to reduced acreage in Mexico. Production of 21.4 million bales in 1963-64 is still the second largest on record. Acreage in these countries as a whole was up from 48.7 million to 49.0 million despite a decrease of 125,000 acres in Mexico.

This slight decline in non-Communist foreign production has a significant bearing on the U.S. export outlook. These countries had little surplus for export in 1963-64 other than that from new crops, and a number of them anticipated increased local mill requirements this year. The net effect may be a slight reduction in their cotton

This is the first in a series of articles on the trade situation and outlook for the leading U.S. agricultural products that move in international trade.

exports despite some probable rise in world cotton trade.

Production estimates indicate that foreign non-Communist production of upland and Asiatic types will be down by about 200,000 bales each, and Egyptian type will be down by about 100,000 bales. The decrease for Asiatic type will probably be reflected entirely in lower stocks of this type of cotton in India, but stocks will still be adequate. Supplies of Egyptian type for 1963-64 are tightening, especially in Egypt, so a reduction in the crop will be reflected in smaller exportable supplies. This situation will be further aggravated by increased exports to Communist countries in coming months.

The greatest decline in production of upland cotton was in Mexico, the world's second largest cotton exporter. Mexico's estimated 1963 crop of nearly 2 million bales is down 450,000 from a year ago. Significant increases in Central America, Brazil, Greece, and Iran are partly offset by decreases in Argentina, Spain, and Turkey. The net effect of these changes should be a decrease of about 500,000 bales in the quantity of foreign-grown upland cotton available for export in 1963-64. Foreign non-Communist exports in 1962-63 totaled a record 11.0 million bales.

Bloc cotton imports increasing

Foreign sales of cotton for export to the Communist Bloc appear to be increasing in 1963-64. Exports to the Bloc by other countries in 1962-63 totaled slightly more than 2 million bales. About 62 percent, or 844,000 bales, of Egypt's cotton exports that year went to Communist countries, compared with 52 percent and 585,000 bales a year earlier. Recent reports indicate that the quantities and percentages for 1963-64 will be at least as high. Exports to the Communist Bloc from other important sources in 1962-63, with 1961-62 figures in parentheses, are as follows: Syria 289,000 bales (253,000); Sudan 199,000 (108,000); Brazil — 11 months — 116,000 (115,000); Greece 113,000 (115,000); Iran 101,000 (106,000); Pakistan 88,000 (12,000); and Mexico 59,000 (57,000).

Increasing mill requirements in Communist countries, together with below-normal cotton crops in the USSR and China in 1962 and 1963, are probable causes for a tightening of supplies and increased imports into both the Asiatic and European groups of Communist countries.

Exports from the United States to Communist countries in recent years include only those to Poland and Yugoslavia (not included in the figures for Communist countries just mentioned). These exports were mostly under P.L. 480, and both countries are still eligible for further purchases in 1963-64. As a result of recent moderations in U.S. restrictions on exports to Communist countries, there may be some cotton exports to other countries of the Communist Bloc in Europe this year on a cash basis. These additional export sales of U.S. cotton, if any, may not be significant in the U.S. total, but increased imports into Communist countries from other sources probably will provide an indirect stimulant to U.S. trade by absorbing larger quantities of foreign-grown cotton that would otherwise compete for dollar markets.

Upturn in consumption expected

The improved outlook for U.S. cotton exports is based to a considerable extent on an expected upturn in consumption outside the United States by nearly 1 million bales above the 1962-63 total of 37.6 million. This anticipated improvement is partly cyclical, following a moderate decline during the past 2 years while inventories of cotton products were being liquidated. Principal countries expecting higher mill output in 1963-64 are Japan, India, France, Belgium, Portugal, and Canada.

However, competition from steadily rising production of manmade fibers and other low-cost substitutes for cotton is still growing and will limit the improvement in demand for cotton products under present world market conditions. In recent years manmade fibers have been developed with characteristics that are wool-like, silk-like, and cotton-like, depending on the use to which the fiber is to be put. They are produced and used as filament—that is, continuous strands—or chopped into staple. These shorter lengths up to 3 inches may be used on cotton spindles alone or in mixtures with cotton. Longer lengths are spun on other types of spinning equipment. After a steady sharp rise from the equivalent of 6.2 million bales of cotton in 1950, production of manmade fibers outside the United States in 1962 was equivalent to 18.3 million bales of cotton.

Foreign production of cellulosic fibers, those that most nearly resemble cotton, was equivalent to 13.5 million bales of cotton in 1962, more than double the 1950 production of 6.1 million. Production of noncellulosic fibers also rose spectacularly to a 4.8-million-bale equivalent in 1962, compared with 106,000 in 1950.

Increased competition from manmade fibers of all kinds can be expected in the future. Since many manmade fiber products compete with cotton on the basis of end-use characteristics as well as price, cotton manufacturers have put greater emphasis on chemical treatment of cotton products to impart special characteristics, such as wash and wear, permanent pleat finishes, and stretchability. Successes in research and development of both cotton and manmade fibers have been impressive, and competition will continue to be very strong on this basis.

What lies ahead

The significant gain expected for U.S. cotton exports in the current year will be mainly due to reduced supply abroad and some revival of consumption, with U.S. prices under the CCC export sales program somewhat lower than last year and competitive with all major foreign growths. However, competition for export markets is likely to continue strong over the long term; foreign producers of both cotton and manmade fibers are apparently willing to continue production increases at present market prices, while the rate of increase in cotton consumption in foreign countries seems to be considerably less than that of 5 to 10 years ago. World production of cotton is exceeding world consumption in 1963-64 for the second consecutive year following 6 years in which world consumption was larger.

SOVIET AGRICULTURE TODAY:

Progress and Potential

Last summer a U.S. Department of Agriculture Exchange Delegation headed by Secretary Orville L. Freeman, two of his staff members, and six USDA scientists and economists, spent 18 days in the Soviet Union studying its agricultural development. The findings of the group have now been analyzed and incorporated in a report entitled Soviet Agriculture Today.* *The following article gives the conclusions that the group reached. Next week a second article will deal with the Soviet Union's foreign agricultural trade.*

The central agricultural problem in the Soviet Union in recent years has been that of expanding production of food and fiber. There were substantial increases from 1954 to 1958, but since 1958 increases in crop and livestock production have been slight. Because of poor crops in 1963 the Soviet Union is now importing large quantities of wheat.

The fact that the population of the Soviet Union is not only growing but, as industries develop, is becoming increasingly urbanized accentuates the need for greater farm output and changes in the composition of farm production. Urbanization decreases the manpower on farms and brings with it a desire for higher-quality diets. These diets require increased supplies of animal and dairy products, sugar, vegetables, and fruits. Political and psychological factors also have made more urgent the long-promised improvement of levels of living.

Thus, the agricultural problem in the Soviet Union is opposite to that in the United States, where rapid technological progress and high output per man and per acre have resulted in surpluses. In the Soviet Union a battle for bigger crops and more livestock is the story of agriculture today.

The growth of the agricultural production capacity of a country largely depends on the interaction of the natural environment and factors, such as the institutional structure of agriculture, organization of farming, labor supply and its motivation, capital equipment, and the status of its agricultural research, technology, farm practices, and farm management. It was with this set of institutional and human-controlled factors that the survey team was primarily concerned, and it was on the basis of these that many of the following conclusions were reached:

Lack of Incentive.—Levels of production and productivity of Soviet agriculture are much below levels in the United States and are not likely to become equal in the foreseeable future. The American family farm system is not only much more efficient than the Soviet system, it is much more dynamic in terms of production efficiency. Lack of the incentives of individual ownership and initiative seems likely to continue to hinder agricultural progress in the Soviet Union.

Future Food Needs.—With average weather, Soviet agriculture today can meet essential food needs at present dietary levels. The current challenge of Soviet agriculture is to meet demands for improved diets which are emerging with industrialization and increases in income. Larger quantities of animal products, vegetables, and fruits appear to be needed. There is also a need for substantially increasing supplies of food concentrates and roughages for greater livestock production.

Progress Through New Lands.—Agricultural production in the USSR has been characterized during the last decade by noticeable, but spotty, progress. Solid progress in agricultural production in the form of improved and higher yielding varieties of field crops (wheat, sugar beets, and sunflowers) must be recognized.

The increase in agricultural production, however, has been associated to a large extent with the spectacular development of the New Lands, though production in recent years has remained below the high levels attained in 1958. The 100 million acres of the New Lands developed from 1954 to 1960 include most of the accessible area of non-crop land that can be made available without the expense of cleaning, drainage, or irrigation. Recent restructuring of crops and increases in the sown acreages seem to have been pushed near, and in some areas perhaps beyond, the efficient limits.

Increasing Crop Yields.—Soviet agricultural leaders recognize that their greatest opportunity for expanding output in the future involves increasing crop yields. Plans are underway to expand fertilizer production; and a rapid increase in its use can be expected. Although these plans appear overambitious, more fertilizer can be efficiently used to increase crop yields in the higher rainfall areas. Its use in the extensive subhumid zones, however, will be less effective.

In general, the efficient use of yield-increasing technologies to obtain substantial increases in output are often more difficult in regions with limited rainfall and short growing seasons than in the more favorable climatic areas. The USSR has relatively large areas of land subject to these climatic limitations. Rapid expansion of irrigation is now being seriously discussed.

* This publication will be available later this month on request to the Office of Information, U.S. Department of Agriculture, Washington, D. C. 20250.

Too Many Farm Workers.—It should be possible to carry out the agricultural production job in the USSR with a much smaller number of workers. Rapid progress in this direction may mean eliminating some low-productivity jobs, such as saving all the grain straw or milking cows three times rather than twice a day. Some sacrifice of total production to obtain greater production efficiency consequently may be involved. Rapid reduction in the farm labor supply also presumes ability to utilize excess labor in off-farm employment.

The Grain Problem.—Because of climatic factors, great year-to-year variations can be expected in the production of grain supplies. Large imports of grain, for example, were needed in 1963, although such imports have been much more than offset by substantial grain exports in recent years. Improvement of dryland farming techniques would substantially reduce these year-to-year yield fluctuations as well as improve production efficiency and reduce wind erosion. More adequate reserves and improvements in transportation and storage facilities also would reduce the impacts of the variations in Soviet grain output.

The Livestock Problem.—Livestock products are high-priced and high-cost in the USSR. There appear to be many problems in obtaining needed increases in production and marketing efficiency. The problems of management of large feed-livestock enterprises are formidable. Inadequacies in the systems of marketing, processing, and distributing livestock products will also retard efforts to increase their output of these products.

Uneconomic Planning.—Soviet agricultural planning is too much concerned with increasing physical production on the collective and state farms. It pays too little attention to the economic relationships involved in securing low-cost, efficient production. More attention to improving marketing and distribution systems to promote greater regional specialization in production, and more efficient methods of moving food from farm to consumer, would materially increase agricultural progress.

Local Conditions Ignored.—Too little attention is paid to variations in production patterns and methods needed to meet local conditions. In the recent program to restructure crop acreages, for example, there has apparently been a tendency to advocate reduction in fallow-land and grass without due regard to the climatic and other production conditions in local areas. A similar tendency was noted in the promotion of growing corn in all the areas visited.

The increased emphasis being given to the price system should prove helpful in encouraging adaptions to local production conditions, although improvements in the pricing system as well as greater emphasis on prices appear to be needed. Farming methods also appear to be too standardized. Insufficient attention, for example, has been given to alternative methods of dryland wheat farming; production practices are tied too rigidly to use of the moldboard plow, deep plowing, and constant wheat growing.

Little variation was noted in feeding and handling practices in dairy production. A new system of hog production developed at one of the farms visited did indicate, however, that efficient livestock production units can be developed in the Soviet Union. One of the important needs is more individual initiative in experimentation with new methods combined with progressive methods of organizing farm production in specific local situations.

Human Resources.—Substantial investment in agricultural research and education of farm people has provided a needed foundation of human capital, which may lead to further progress in Soviet agriculture. Direct association of technically trained people with agricultural production provides, at least potentially, a solid basis for dissemination of improved production practices.

Larger Investment Needed.—Further substantial agricultural progress in the Soviet Union would involve larger investments in agriculture than in the past. It was indicated that investments in agriculture would be increased, particularly in chemical fertilizer, herbicides, and feed mixing industries. It was also indicated that some of the plants and equipment needed to produce these production supplies would be purchased from abroad. Recently, an expanded program of irrigation development was announced. The need for increasing investments in agricultural marketing, transportation, and distribution facilities has not been fully recognized by the Soviet Government.

Austria To Import More Poultry

The spread between Austria's production of poultry meat and eggs and its consumption of these items has grown so much wider in the past few years that imports are now at record levels. In 1962-63, 8,900 metric tons of poultry meat were imported, of which over 4,500 tons were broilers and fryers; and imports of eggs and egg products reached 17,600 tons.

The United States has gained from this rising demand. With a market share of 22 percent of the frozen chickens purchased it has advanced from the very bottom of the list of suppliers to third place, after Denmark's 29 percent and the Netherland's 23 percent.

The potential for continued expansion of poultry consumption is believed to be considerable, partly because poultry meat is more competitive vis-a-vis choice cuts of red meat than it has ever been before.

Yet despite a rapid expansion of Austria's domestic poultry industry to meet this demand, the sales outlook for foreign suppliers remains favorable.

U.S. poultry meat will have a fair chance of winning a larger market share in 1964. The Austrian Ministry of Agriculture has increased the import quota for U.S. poultry meat from year to year. Starting in 1961 the quota called for 600 metric tons. In 1962 it was raised to 800 tons, in 1963 to 1,500 tons, and for 1964 it has been set at 2,250 tons. Also, complete elimination of quotas on imports of U.S. poultry meat is expected early in 1965.

Japan's Economy Continues Upward Trend But Larger Food Imports May Be Needed

Reduced agricultural production in 1963 is the principal exception to Japan's extremely bright economic situation. As a result, larger food imports may be needed to bolster Japan's rapidly expanding prosperity.

The rate of economic activity showed a pronounced upward trend during the first half of 1963, then problems began to develop. An unusually sustained rainy season brought the worst harvest of wheat and barley in over 30 years. This partial crop failure will necessitate much larger imports of grains and oilseeds, most of which will undoubtedly be purchased from the United States.

The economic picture

During the first 6 months of 1963 Japan's exports totaled $2,415 million, which was 8.7 percent higher than for the same period in 1962. Imports, after the decline in 1962, were running at record levels, reaching $3,177 million, an increase of 7.5 percent over the comparable period of the previous year. The trade deficit, however, was only $29 million more than it was the previous year when exports increased more sharply and imports actually declined.

The most important domestic financial development during the first half of this year was the continued easy-money policy of the government. The avowed purpose of this policy is twofold: (1) to stimulate domestic business out of the recessionary phase of 1962; and (2) to force down domestic interest rates to levels comparable with those in other industrially advanced nations. The government has been relatively successful in achieving its first objective as the industrial production index during the second quarter of the current year rose approximately 5 percent above the average level of the first quarter.

Wholesale prices for foodstuffs and textiles continued to rise—a movement that began in 1962—and are now 6 to 7 percent higher than during 1962. On the other hand, wholesale prices of basic industrial products have shown a consistent downward trend since 1960, and at present average about 5 to 10 percent below the figure for that year. The net result of this is a general wholesale price index that remains relatively constant; however, the consumer price index in which food and clothing are heavily weighted items has recently exhibited a strong rise.

Agricultural situation

The unusually heavy and prolonged rainfall during the spring and early summer was disastrous to the wheat and barley crops which are harvested in June. The loss of wheat and barley is estimated to be 53 percent of the average crop. About 44 percent of the rapeseed crop was lost; also, vegetables were severely damaged by lack of sunshine.

The poor harvest, it is now estimated, will cause a loss in agricultural earnings of over $270 million, which will have an impact on farm income this year and may bring about a drop in the farm production index.

Growing conditions for rice, which accounts for about 40 percent of Japan's total agricultural production, were also unfavorable during the early part of the season. By the end of June they had improved greatly, so that, barring unexpected damage to the late harvest, the year's rice crop should come up to expectations and be the third largest on record.

Poultry numbers are expected to rise, but no change in livestock numbers is foreseen. Increased marketing and lower prices received by farmers during the past year have tended to hold livestock numbers stable. In recent months, though, prices have gone up sharply and herds are again increasing.

Farmers have continued to shift to the production of commodities for which the demand has been growing. Barley acreage is declining and that of fruits and vegetables expanding. More emphasis is being placed on livestock and meat, a trend that should persist as per capita incomes rise.

Import record possible

During the past several years, Japan's total agricultural imports have been moving upward and because of the country's lower agricultural output this year, they are expected to reach an all-time high, with the United States as the principal supplier.

JAPANESE PRODUCTION OF GRAINS 1962 AND 1963

Crop	Production 1962	Production [1] 1963
	1,000 m. t.	*1,000 m. t.*
Grain:		
Rice (brown)[2]	13,009	12,843
Wheat	1,630	716
Common barley	1,024	646
Naked barley	702	113
Oats	150.4	156.3
Rye [3]	1.7	1.7
Corn [3]	103.6	102.5
Buckwheat	37.2	35.0
Foxtail millet	20.5	17.4
Barnyard millet	27.5	25.6
Proso millet	8.5	7.6
Sorghum	1.4	1.3

[1] Preliminary. [2] Brown rice x 0.91 = milled rice. [3] Dried only.

The 1963 rise in consumer prices has been dampened by larger imports of grain, oilseeds, and meats. The biggest increase has been in wheat imports, followed by soybeans, chicken meat, and feed grains. Improved demand for cotton textiles has also necessitated more raw cotton imports. Larger meat imports, particularly pork, occurred (mostly from the United States), and further imports of mutton, beef, and pork are expected in order to stabilize consumer prices.

Japan continues its program to liberalize imports of agricultural products. (Semiannually the government reviews the status of the various agricultural commodities.) On April 1, 1963, it was announced that import restrictions would be removed on 27 agricultural commodities which had been listed under the Fund Allocation system. In August, 27 additional farm products were freed of restriction. Still under the Fund Allocation system, though, are wheat, barley, tobacco, citrus fruits, and livestock.

JOSEPH C. DODSON,
U.S. Agricultural Attaché, Tokyo

Promotion Seen Opening Door in Africa To First Big Sales of U.S. Bulgur Wheat

Expected to spark the first sizable sales of U.S. bulgur wheat to developing countries are new promotion programs being set up in Africa as a result of a recent market development trip to the Continent by Walter W. Graber, Executive Secretary of Bulgur Associates.

In seven African countries, Mr. Graber conferred with government officials and private firms about commercial sales of U.S. bulgur. Nigeria, Liberia, and the Congo (Leopoldville) were found to have an immediate potential for bulgur sales, if backed up by sound market development. Great Plains Wheat—in cooperation with Bulgur Associates and FAS—have already set up pilot demonstration and sampling programs in Nigeria and Liberia, and the Congo is being considered for a program to start early next year.

Bulgur—a wheat food served like rice—was prepared for centuries by a tedious process of boiling, drying, and cracking of the grain by hand. With a new parboiling technique developed by the USDA and bulgur manufacturers, the consumer now need only cook bulgur in water for a few minutes before eating. Rich in protein, vitamins, and minerals, bulgur is also a low-cost food which stores well—features which make it attractive to developing countries striving to upgrade diets.

In the past, U.S. bulgur has been introduced in developing countries mainly through Public Law 480 programs and voluntary agencies. Now for the first time—under the new promotion program—a number of Africa's largest plantations will include U.S. bulgur on a trial basis as part of the workers' salaries. Also, government supply agencies are trying bulgur. If these sampling programs are successful, big commercial sales are in prospect. The African programs would become the prototypes for market development in developing countries around the world.

In the three month Nigerian project, the U.S.-owned African Research and Development Company is importing bulgur for demonstration and providing management and office facilities for market development. Bulgur samples are going to schools, and other government institutions. If the food catches on, the supply agency of the Nigerian Government will buy bulgur to continue the program on a permanent basis. In addition, bulgur is one of the foods being used on 10 buses operated by the Mobil Oil Company to demonstrate its gas stoves.

In Liberia, the Firestone and Goodrich rubber plantations are using bulgur for 2 months in their company stores, feeding facilities, and hospitals. These companies reportedly set the diet patterns for the entire country. The Firestone plantation feeds 250,000 workers and their dependents. Goodrich feeds about 8,000 persons.

When the Congo (Leopoldville) promotion gets underway, the Congolese supply company of Unilever Corporation intends to buy 5 tons of U.S. bulgur for trial at its Dunlop rubber plantation, which feeds some 150,000 persons. The Congolese Government is also considering bulgur for feeding its defense forces.

Successful results from these and other bulgur promotion programs could put the United States far out in front as a world exporter of bulgur wheat. Last year, this country was the only significant exporter, shipping over 300,000 metric tons, mostly under Public Law 480. Because bulgur requires special cleaning and steaming, only eight U.S. milling firms are equipped to process it.

Nigerian food sellers inspecting bulgur

Sampling bulgur, Yaba

Customer Service Aids Cotton Sales in Thailand

Aware that customer service is a big "plus" for an exporting country, the USDA since 1958 has sent its cotton specialists to foreign markets to help users get the best possible results from U.S. cotton. The United States is the only exporting country which does so.

An example of this type of market development is the recent trip of USDA cotton technologist T. L. W. Bailey, Jr., to Thailand, a dollar market which gets a large share of its cotton imports from the United States—averaging around 80 percent in the last 4 years.

Throughout his 3-month itinerary, which included 14 other countries in Europe and Asia, the U.S. technologist conferred with users of American cotton—mill owners, importers, fiber technicians — about their experiences in using U.S. cotton. The exchange of technical information that resulted was aimed at promoting efficiency in the production of textiles, thus stimulating local consumption by giving the buyer a better product for his money.

Mr. Bailey told members of the Bangkok Textile Association: "We are concerned with your cotton industry from every angle, whether you are a raw cotton agent, a spinner, weaver, knitter, or finisher. By helping every part of the textile industry to become more efficient, more cotton will be used."

Highpoint of the trip was a series of meetings with mill owners. Mr. Bailey inspected eight of the country's big textile mills, spending up to a half day at each to discuss a wide range of technical topics of interest. Discussions were tape-recorded, transcribed into Thai, and sent to each mill to use.

These conferences revealed, among other things, that by beating their blended cotton several times (as is customary in Thailand), manufacturers actually damaged the already-clean U.S. cotton contained in the blend. Over-beating weakens the fiber, results in yarn breakage during spinning. Another finding: manufacturers could increase efficiency and get better yarn quality through proper adjustment of their modern machines.

At a Thai textile mill, USDA cotton technologist Bailey pulls U.S. cotton apart to show it needs no cleaning. He visited eight mills in all.

Winding up the trip was a joint session of cotton industry and government officials. Thailand's Under Secretary of Industry Adm. Chalie Sindusophon said at this meeting: "Never till now has there been a joint meeting of all groups interested in cotton. It is essential that we work together to increase cotton consumption, as this would be good for the Thai farmer, the mills, Thai labor, and the importer of raw cotton. We shall continue to work closely with them and follow up on what has been suggested by U.S. technicians, because only by working together can we make progress."

Below, Mr. Bailey tells what is new in treated cotton fabrics. Above, students at the Bangkok Technical Institute crowd around for a close look at samples.

Scandinavian Cereal Chemists Inspect U.S. Wheat Industry; See Bigger U.S. Imports

Four Scandinavian cereal technologists—who recently completed a 2-week inspection tour of U.S. wheat laboratories—said that Finland and Norway probably will be buying more U.S. wheat in the future, if quality and prices are competitive.

Sponsored by Great Plains Wheat and FAS, the team members were: Dr. Aimo Ilmarinen, Director of the Finnish Grain Department; Onni K. O. Pohjanheimo, head of the Great Research Laboratory of Finland; Dr. Einar Moinichen, laboratory chief of the Norwegian Grain Corporation; and Johannes Erstad, chief of Vaksdal Flourmills laboratory of Norway.

Purpose of the mission was to give the foreign technologists a comprehensive view of U.S. wheat processing and quality determination techniques through visits to government, mill, and independent laboratories.

Mr. Erstad said the quality and baking performance of U.S. wheat are better today than they were 10 years ago. Remarking on the U.S. methods for determining wheat quality, Dr. Moinichen said, "We like your sedimentation test and we intend to adopt it. As a quick test for small samples it is the best today."

The cereal technologists commented, however, that the amount of dockage (unmillable material) in U.S. wheat shipments leaves much to be desired. Dockage means higher freight costs, and results in a lower flour yield. Norwegian millers are required by their grain monopoly to get at least a 78 percent flour yield.

The spokesmen added that the proposed revision in U.S. wheat standards is a step in the right direction, but that the revised standards should also carry provisions for protein and sedimentation properties. These would help in selecting types and grades of wheat for specific baking needs.

Discussing the potential for higher U.S. wheat imports, Dr. Moinichen pointed out that Norway uses its entire domestic wheat production for feed purposes and must import all its grain requirements. "We buy the best quality wheat for the cheapest prices from all over the world. If these factors are favorable, we will buy more wheat from the United States," he said. Last year, U.S. wheat —mostly Hard Red Winter—had 21 percent of Norway's wheat market, and Canada, 37 percent.

According to Dr. Ilmarinen, Finland—which must import half its wheat needs—looks for quality in the wheat it buys, since Finnish wheat is semisoft and quality varies from year to year. "It will be easier after this visit to decide on the possibility of using high quality U.S. wheats for blending with Finnish wheats," he said. In the past, the USSR and Canada have been Finland's big suppliers. However, since reportedly there will be no Russian wheat deliveries to Finland during 1963-64, Finland will have to look for additional sources.

Food Health Laws Study

A U.S. Food Science Mission will return next week from a six week's study of food health regulations in seven European countries and their impact on U.S. food exports.

U.S. Wheat Begins New Promotion in Netherlands

Great Plains Wheat, Inc., is moving ahead with plans to capitalize on the impact made on Dutch consumers last month by the doughnut promotion campaign launched at the U.S. Agriculture Exhibition in Amsterdam.

Cooperating with Great Plains Wheat in this new market development program are FAS and the Netherlands Association for the Promotion of Mill and Bakery Products Containing U.S. Wheat. Principal member of the Dutch group is the Meneba Mill, which recently bought the first shipment of "Identity Preserved" U.S. wheat to Europe. The mill is the biggest in the Netherlands and one of the biggest in West Europe.

For the next 8 months, the campaign will use store promotions, advertising, and other promotion techniques to push sales of doughnuts using at least 50 percent U.S. wheat.

The Netherlands wheat promotion is expected to provide an example to milling and baking industries in other Common Market countries of what can be done to boost the sale of their wheat foods. Future campaigns will emphasize other wheat products.

For the past 5 years, Great Plains' European headquarters in Rotterdam has advanced the interests of the U.S. wheat industry mainly through personal contacts and technical assistance.

PIK Program for Milkfats Announced

For the first time—under a new payment-in-kind program — private stocks of milkfat products can be exported at competitive CCC prices. The milkfat program has been combined with the PIK program for nonfat dry milk, which is credited with pushing last year's export sales of nonfat dry to record levels.

Eligible for the new program are butter, anhydrous milkfat, butteroil, ghee, and other products containing not less than 75 percent milkfat. The U.S. exporter can now buy these commodities from private firms. Upon shipping the commodities overseas, he receives a certificate worth the difference between the domestic and world market prices. Certificates may be redeemed in CCC stocks of butter, cheese, nonfat dry, wheat, feed grains, or rice, which must be exported.

Another advantage of the PIK milkfat program is that U.S. exporters can supply products to importer specification. Butter from CCC stocks, for example, is the salted type, but in Europe consumers prefer the unsalted variety. Also, packaging can be designed to suit the need of the buyer.

Large Wheat Crop Forecast for Argentina

Argentina's 1963-64 wheat crop may be the largest in 5 years.

Expectations in early November were that if the weather continued favorable—warm and dry, with the absence of strong winds—the harvest would surpass 220 million bushels. The 1962-63 crop amounted to 190 million bushels.

The seeded area, at 13.3 million acres, is the largest since the 1958-59 season. Yields are expected to be average or better in nearly all regions, except in the drought-affected areas of Córdoba, northern La Pampa, and parts of Santa Fé.

Exports of wheat during the marketing year beginning December 1, 1963 may reach 90 million bushels. This is well above the 1962-63 total of approximately 64 million bushels. Thus far, 23.5 million bushels of new-crop wheat have been scheduled for shipment, and rumors of sales to Bloc countries continue to persist although they have not yet been confirmed.

Canada Ups Estimate for Its Wheat Crop

The estimate for the 1963 Canadian wheat crop has been raised to 723.4 million bushels from an earlier forecast of 719.1 million. This revision puts the crop 21 million bushels above the previous record set in 1952.

The rise in production is largely due to a 24-percent increase in yields and a 3-percent one in acreage. Weather was exceptionally good throughout the growing and harvesting season in most of the Prairie Provinces.

Spain Adopts New Corn, Barley Import System

On November 12, the Spanish Government ceased state trading of corn and barley and began permitting private interests to import these gains.

Under the new system, import licenses are issued by the government and imports are subject to compensatory import levies, fixed weekly. The current levy on barley is 17 cents per net metric ton and that on corn is $4.16 per net metric ton. These levies are charged in addition to the regular import duties of 25 percent ad valorem and the 3-percent excise tax.

Under state trading, a 1-percent import tariff was charged, and domestic grain prices were protected by high skimming charges.

U.S. Wheat and Flour Exports Up 17 Percent

U.S. wheat and flour exports during July-September 1963 totaled 174 million bushels compared with 148 million bushels for the same period of 1962.

Shipments of wheat as grain increased 24 percent during July-September 1963 over July-September 1962, while flour exports decreased 18 percent.

A detailed table and story was published in the November issue of *World Agricultural Production and Trade —Statistical Report.*

U.S. Feed Grain Exports Decrease 11 Percent

U.S. feed grain exports for July-September 1963 totaled 3.1 million metric tons compared with 3.5 million for the same period a year earlier. All feed grain exports showed a decrease, with the exception of corn. Most of the decrease was in the European countries.

A detailed table and story was published in the November issue of *World Agricultural Production and Trade—Statistical Report.*

Canada Offers Butteroil for Export

The Canadian Agricultural Stabilization Board announced on November 1 that its holdings of butteroil were being offered for export in carlot quantities at 27 cents per pound, delivered Canadian seaboard. This decision was made after the board had rejected all offers made for the butteroil tendered on October 15, 1963.

In the present offer, the Board has excluded only the United States and the United Kingdom as destinations for the butteroil. However, the Board reserves the right to exclude any country and exporters are required to secure Board approval before making export commitments.

The exporter must pay the Board 30 cents per pound for the butteroil at the time of purchase, but, upon presentation of signed bills of lading indicating proof of export, he will receive a refund of 3 cents per pound. All port and wharfage charges must be borne by the exporter.

While the Board did not reveal the quantity of butteroil being offered for sale, trade sources report that 80 million pounds are available. The Board reserves the right to withdraw, limit, or change the terms and conditions of sale at any time.

Dutch Trade in Dairy Products

Exports of butter from the Netherlands in the first 7 months of 1963, at 75 million pounds, were more than twice those of the same period in 1962. The United Kingdom and West Germany upped their purchases by 2 million pounds each to 22 million pounds and 1 million, respectively. These increases were small, however, compared to those recorded for Italy and Chile. Purchases by Italy rose from less than 1 million pounds in January-July 1962 to 8 million and those by Chile, from 522,000 to 9 million. New markets in 1963 included Morocco, which purchased 7 million pounds, and Cuba, with 3 million.

Cheese exports increased by 8 percent to 142 million pounds. West Germany, the largest single outlet, took 68 million pounds in both years. Sales to Belgium

dropped from 26 million pounds to 23 million. Other markets in the 1963 period were the United Kingdom, taking 14 million pounds (9 million pounds last year); Spain, 6 million (320,000); and the United States, 3 million in both years.

Exports of condensed milk, at 418 million pounds, were up by 2 percent. Sales to Thailand, the principal market, totaled 61 million pounds—practically the same as those in the 1962 period. Shipments to the Philippines rose from 26 million pounds to 30 million and those to Hong Kong, from 23 million to 26 million. Exports to Malaya continued to be heavy although they were down by 4 million pounds to 44 million. Combined sales to Africa were approximately 75 million pounds, of which 14 million were made to Nigeria, 12 million to Ghana, 9 million to Morocco, and 7 million to Tanganyika. Of the 51 million pounds shipped to Western Europe, 22 million pounds went to Greece.

Dry whole milk exports declined by 8 percent to 41 million pounds. Reduced sales to the United Kingdom—down sharply from 5 million pounds to 775,000—accounted for much of this decline. Slightly larger shipments were made to Venezuela, Spanish ports in North Africa, El Salvador, and West Germany.

Colombia Has Record Tobacco Crop

The 1963 tobacco harvest in Colombia totaled a record 92.5 million pounds—9.1 percent larger than the 1962 production and 8.5 percent above the 1959 high of 85.2 million pounds. This year's large crop is attributed to price increases and larger plantings as the result of a substantial rise in export demand.

The harvest consisted of 81.1 million pounds of dark air-cured types, 10.2 million of cigar leaf, and 1.2 million pounds of flue-cured and burley leaf.

Malaya's Tobacco Imports Down

Imports of unmanufactured tobacco by Malaya (Federation of Malaya and Singapore) in 1962, at 16.3 million pounds, were down 6 percent from the 1961 high of 17.4 million. Reduced imports from the United States and India more than offset the stepped-up takings from the Rhodesias-Nyasaland.

TOBACCO, UNMANUFACTURED: MALAYA,[1] IMPORTS BY COUNTRY OF ORIGIN, 1960-62

Origin	1960	1961	1962
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
United States	2,931	7,026	6,426
Rhodesias-Nyasaland	4,794	5,689	6,146
India	2,895	4,519	3,547
Thailand	([2])	—	142
Canada	36	23	52
Burma	18	12	15
Others	309	116	7
Total	10,983	17,385	16,335

[1] Includes the Federation of Malaya and Singapore. [2] Less than 500 pounds.

External Trade Statistics (excluding trade between Singapore and the Federation of Malaya), Malaya, December 1962.

Imports of U.S. leaf, at 6.4 million pounds, were down by 9.5 percent from the 1961 high of 7.0 million pounds. Takings from India also dropped from 4.5 million pounds in 1961 to 3.5 million in 1962. However, imports from the Rhodesias-Nyasaland rose from 5.7 million pounds in 1961 to 6.1 million in 1962. Also, those from Thailand, Canada, and Burma were up from the previous year.

Malaya's exports of unmanufactured tobacco last year totaled only 224,000 pounds compared with 1.4 million in 1961 and 1.3 million in 1960. Most of the 1962 shipments went to Hong Kong; no shipments to the Philippines were reported, although 500,000 pounds went to that country in 1961.

Malaya's imports of cigarettes continued downward through 1962. Last year they totaled 7.3 million pounds, compared with 9.1 million in 1961 and the 1951 high of 22.3 million. Continued smaller takings from the United Kingdom accounted for the decline. However, imports from the United States continued to rise and amounted to 3.1 million pounds in 1962, compared with 2.9 million in 1961 and 2.7 million pounds in 1960.

Malaya's exports of cigarettes last year turned upward after showing a steady annual decline since 1957. Exports during 1962 totaled 3.3 million pounds, compared with 2.8 million in 1961 and the 1957 high of 5.5 million. The principal export destinations continue to be North Borneo, the Riouw and Lingga Islands, Sarawak, and Brunei.

German Leaf Tobacco Usings Up a Little

Usings of leaf tobacco by West German and West Berlin manufacturers during the first half of 1963 totaled 132.3 million pounds—up by less than 1 percent from the 131.1 million used during the same period last year.

TOBACCO, UNMANUFACTURED: WEST GERMANY, USINGS BY MANUFACTURERS, JAN-JUNE 1962 AND 1963

Country of origin	January-June 1962	January-June 1963	Change from 1962
	1,000 pounds	*1,000 pounds*	*Percent*
United States	36,962	37,811	+ 2.3
Oriental leaf [1]	33,653	33,563	— 0.3
Exotic leaf [2]	9,879	9,667	— 2.1
Indonesia	4,396	3,772	—14.2
Italy	9,961	8,318	—16.5
Japan	3,827	4,008	+ 4.7
Rhodesias-Nyasaland	10,194	9,784	— 4.0
Other foreign leaf	5,357	10,276	+91.8
Blended filler and homogenized leaf	3,353	4,118	+22.8
Domestic leaf	13,490	10,935	—18.9
Total	131,072	132,252	+ 0.9

[1] Tobacco originating in Greece, Turkey, Bulgaria, Yugoslavia and the USSR. [2] Tobacco originating in Brazil, Colombia, the Dominican Republic, Cuba, Mexico, Paraguay, and Argentina.

Die Tabak-Zeitung, Mainz, Oct. 11, 1963.

Usings of U.S. leaf, at 37.8 million pounds, were 2.3 percent larger than the January-June 1962 level of 37.0 million pounds. Usings of Japanese leaf, blended filler, and homogenized leaf were also up from the first 6 months of last year. However, usings of oriental, Italian, and Rhodesian leaf were down. The use of domestic leaf and leaf from Latin America was also down.

Larger leaf usings in production of cigarettes and smoking mixtures were enough to offset declines in cigars, snuff, and chewing tobacco. Leaf used in cigarettes totaled 94.1 million pounds, compared with 92.1 million in January-June 1962. Leaf used in cigars, at 29.0 million pounds, was down almost 3 percent from the 29.9 million pounds used during the same 6 months last year.

Stocks of unmanufactured tobacco held by manufacturers and dealers as of June 30, 1963, at 287.8 million pounds, were only slightly above the June 30, 1962, level of 286.6 million pounds.

Weather Helps Canadian Tobacco Crop

The 1963 crop of tobacco in Canada, at about 200.5 million pounds, is practically the same as the 203 million produced last year even though the 1963 plantings were the smallest since 1955. Generally favorable weather conditions in most of the growing areas, especially during the harvesting season, resulted in considerably larger yields than a year ago, particularly in Ontario flue-cured.

Canada's 1963 crop of flue-cured is now placed at 187.7 million pounds, compared with an earlier estimate of about 157 million. The 1962 harvest was 187.6 million. The estimate for Ontario is 180 million pounds, and that for Quebec and the Maritimes, 7.7 million.

Burley production this year in all Canada (largely in Ontario) is preliminarily forecast at 7.8 million pounds, compared with 8.9 million in 1962.

A five-man Canadian sales mission visited Europe in October, to sell some 30 million pounds of flue-cured tobacco, not sold at the regular auctions and purchased as "no sale" tobacco by the Ontario Flue-Cured Tobacco Growers' Marketing Board. Members of the mission conferred with officials of the tobacco industry in Poland, the USSR, Austria, Bulgaria, Israel, Italy, Egypt, the United Kingdom, and France. Early reports indicate that a number of countries placed trial orders and further purchases are likely.

Canadian exports of flue-cured and burley tobacco during the first 8 months of 1963 totaled 35.1 million pounds, compared with 44 million in the same period of 1962. For flue-cured, exports were 33 million compared with 42.6 million in January-August 1962 and for burley they were 2.2 million—about 800,000 pounds larger than those for the first 8 months of 1962.

U.S. Exports of Animal Products Still Rising

U.S. exports of most major livestock and meat products continued to increase during the first 9 months of 1963 from the same period in 1962.

Lard shipments were up 26 percent as a result of larger purchases by the United Kingdom. Inedible tallow and grease exports increased 11 percent owing to larger shipments under P.L. 480 programs.

Total red meat shipments, at 115 million pounds, showed a gain of 64 percent. Canada and Japan's increasing demand for meat helped to raise U.S. exports of pork 104 percent. However, exports of beef and veal, lamb and mutton, and canned baby foods declined.

Variety meat exports increased 27 percent; sausage casings, 19 percent; and mohair, 7 percent. Increased shipments of mohair to Japan and Italy helped offset declines to Belgium and the Netherlands.

Trends in hide and skin shipments were mixed, with increases in those of cattle, sheep, and lambs and decreases in those of calf and kip.

U.S. EXPORTS OF LIVESTOCK PRODUCTS, SEPTEMBER 1963, WITH COMPARISONS

(Product weight basis)

Commodity	September		Jan.-Sept.	
	1962	1963	1962	1963
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Animal fats:				
Lard	33,565	53,199	335,881	422,132
Inedible tallow and greases [1]	130,915	159,186	1,263,005	1,404,707
Edible tallow and greases [2]	606	707	9,550	8,313
Meat:				
Beef and veal	2,309	2,834	19,727	18,838
Pork	3,583	9,674	45,098	92,033
Lamb and mutton	80	28	1,776	659
Sausage:				
Except canned	99	145	1,138	1,252
Canned	54	70	617	666
Baby food, canned	86	56	733	533
Other canned meats	94	140	912	1,043
Total red meat	6,305	12,947	70,001	115,024
Variety meat	10,977	10,765	90,097	114,215
Sausage casings:				
Hog	916	1,110	9,724	11,145
Other natural	934	920	4,160	5,177
Mohair	1,490	1,627	10,053	10,756
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Hides and skins:				
Cattle	582	661	5,335	5,549
Calf	193	120	1,324	1,088
Kip	24	17	251	171
Sheep and lamb	145	218	1,622	2,057

[1] Includes inedible tallow, oleic acid or red oil, stearic acid, and other inedible greases, fats and oils. [2] Includes edible tallow, oleo oil and stearin, oleo stock and shortenings, and animal fat, excluding lard.

New Zealand Meat Shipments to the U.S.

Five ships are scheduled to leave New Zealand during December with 11,200,000 pounds of meat for the United States—9,632,000 for the East Coast and 1,568,000 for the West Coast.

Ship	Sailing date	Destination	Quantity
			Pounds
Whangaroa	Dec. 14	East Coast	2,016,000
Megantic	20	do.	7,616,000
Mariposa	Dec. 17	West Coast	336,000
Saracen	17	do.	1,120,000
Arcadia	19	do.	112,000

U.S. Meat Exports to Venezuela Decline

U.S. exports of livestock and meat products to Venezuela continue to decline. They were valued at $3.5 million in January-August 1963 compared with $5.2 million in the full year 1962, $6.1 million in 1961, and $8.9 million in 1960.

From 1960 to 1962, red meat exports dropped from $5.2 million to $2.4 million; they were $1 million in the first 8 months of 1963.

Tallow and grease exports to Venezuela remained at a satisfactory level in 1963. These exports have been trending upward and in both 1961 and 1962 brought in over $1 million.

Cattle and calf shipments declined from $2 million in 1960 to $1 million in 1962. However, January-August 1963 exports are about $500 000 higher than those for the full year 1962. U.S. cattle and calf shipments consist primarily of high class breeding stock. Venezuela also imports slaughter and breeding cattle from Colombia.

U.S. EXPORTS OF LIVESTOCK AND MEAT PRODUCTS TO VENEZUELA, 1960-62 AND JAN.-AUG. 1963

Item	1960	1961	1962	Jan.-Aug. 1963
	1,000 dols.	*1,000 dols.*	*1,000 dols.*	*1,000 dols.*
Beef and veal	419	60	27	11
Pork	3,834	2,822	2,255	920
Lamb and mutton	32	27	15	16
Sausage, bologna and frankfurters	624	177	33	51
Other canned meat	50	29	26	7
Baby food (meat, canned)	225	34	3	—
Total red meat	5,184	3,139	2,359	1,005
Variety meats	3	—	31	17
Lard	80	78	61	28
Tallow and greases	655	1,048	1,074	591
Sausage casings	4	8	16	36
Hides and skins	783	712	534	265
Livestock:				
Cattle and calves	2,050	1,055	1,053	1,517
Sheep and lambs	—	1	50	4
Hogs	103	70	8	9
Mohair	1	1	—	—
Total	8,863	6,112	5,186	3,472

The Inter-American Development Bank recently granted Venezuela a $6-million loan to import breeding stock. The agricultural and cattle bank of Venezuela expects to issue total credits of $63 million in 1963 to improve the agricultural and livestock industries.

U.S. pork exports to Venezuela have declined owing to various Venezuelan trade restrictions designed to increase domestic pork prices and production. Import licenses are required, and imports are only permitted by processors who produce pork from local slaughter. Imports may be increased only if firms handle larger amounts of domestic pork.

Meat production in 1962 increased slightly in Venezuela when slaughterings rose as the result of economic problems and outbreaks of foot-and-mouth disease. This off year was in sharp contrast to the sharp gains which the industry has been recording in recent years. Accordingly, 1963 meat production is expected to decline slightly as lighter weight cattle and fewer hogs are slaughtered.

Venezuela's imports of animal products from all sources recorded strong gains in 1962 and are expected to increase even further during 1963 and 1964 as domestic production falls short of demand. However, the share of U.S. exports in this important market declined.

Australian Meat Shipments to the U.S.

Two ships left Australia during the fourth week of November with 9,432,640 pounds of beef, 1,155,840 pounds of mutton, 56,000 pounds of lamb, and 31,360 pounds of variety meats for the United States.

Ship and sailing date	Destination[1]	Arrival date	Cargo	Quantity
	Western ports:			*Pounds*
Cap Valiente	Seattle	Nov. 10	Beef	33,600
Oct. 23	San Francisco	13	Beef	974,400
	Los Angeles	16	Beef	349,440
	Eastern and Gulf ports:			
Pipiriki	Tampa	Nov. 25	Beef	224,000
Oct. 27	Charleston	27	Beef	607,040
			Mutton	100,800
	Norfolk	29	Beef	566,720
			Mutton	134,400
	Boston	Dec. 2	Beef	889,280
			Mutton	336,000
			Var. meats	11,200
	New York	5	Beef	5,438,720
			Mutton	483,840
			Var. meats	20,160
	Philadelphia	11	Beef	349,440
			Mutton	100,800
			Lamb	56,000

[1] Cities listed indicate location of purchaser and usually the port of arrival and general market area, but meat may be diverted to other areas for sale.

U.S. Coffee Inventories at High Level

Inventories of green coffee in the United States on September 30, 1963, were reported at 4,008,000 bags (of 132.276 pounds each), the highest level for this date since 1947. This is 17 percent above stocks on June 30 and 19 percent above those on the same date last year.

Coffee roastings amounted to 5,074,000 bags during July-September 1963—5 percent below roastings in the previous quarter and 2 percent below those in the comparable quarter of 1962. Of this total, 16.2 percent was for soluble use, compared with 17.9 percent in April-June. Total roastings for the first 9 months of 1963 were 16,509,000 bags, or slightly below those for the same period of 1962.

Imports of green coffee into the United States during the third quarter of 1963 totaled 6,078,000 bags, 13 percent above second quarter imports. The January-September total of 17,090,000 bags, however, was 3 percent less than that of the comparable period of 1962.

Thailand's Kapok Production Increased

Production of kapok in Thailand totaled 121.1 million pounds of floss in 1963 compared with 112.2 million in 1962 and 116.4 million in 1961.

Exports in January-June 1963 through Bangkok, the principal port of exit, were 17.1 million pounds compared with 15.5 million during the same period of 1962. Total for 1962 was 34.8 million pounds, of which 84 percent was shipped to the United States and about 7 percent to Japan. Exports to the United States increased to 10.4 million pounds in the first half of 1963 from 8.7 million in the first half of 1962.

In an effort to facilitate its foreign trade in kapok, Thailand has adopted new export regulations. This new system is reported to be the principal factor in the recent increase in exports.

Brazilian Ramie Production Remains Small

Brazilian ramie production in 1962 is unofficially estimated at between 20 million and 25 million pounds compared with less than 20 million in preceding years. Exports were 1.9 million pounds, with 1.1 million going to Japan, 450,000 to France, and the remainder to Belgium-Luxembourg. All restrictions on ramie exports were removed last year by government decree.

Philippine Exports of Copra and Coconut Oil

Recorded copra and coconut oil exports from the Philippine Republic during January-October 1963, on an oil equivalent basis, totaled 644,185 long tons, compared with 537,136 in the corresponding period of 1962—an increase of 20 percent.

PHILIPPINES: REGISTERED EXPORTS OF COPRA AND COCONUT OIL, 1962, JANUARY-OCTOBER 1962 AND 1963

Country and continent of destination	1962 [1]	January-October 1962 [1]	January-October 1963 [1]
Copra:	*Long tons*	*Long tons*	*Long tons*
United States	249,594	217,990	205,151
Europe	512,795	409,150	491,365
South America	45,928	42,428	13,620
Japan	14,700	8,700	31,777
Middle East	1,500	1,500	3,250
Total	824,517	679,768	745,163
Coconut oil:			
United States	137,142	101,284	154,264
Canada	800	800	—
Europe	—	—	13,017
Total	137,942	102,084	167,281

[1] Preliminary.

Compiled from monthly data on registered shipments.

Japan, Communist China Agree on Soybean Prices

The price agreed on by the Japan-Communist China Trade Mission for the 30,000 metric tons (1.1 million bushels) of soybeans scheduled for shipment to Japan in November and December was $103.74 per ton ($2.82 per bu.), f.o.b. Addition of the freight rate, expected to be $5.60 per ton, makes the c.i.f. price $109.34 per ton, or $2.98 per bushel. This price was reported at the end of October to be about $6 per ton lower than that of U.S. soybeans.

Of the total, 10,000 tons (400,000 bu.) was scheduled for November shipment and 20,000 tons (700,000 bu.), for December. This 30,000 tons complete the 150,000-ton total that Japan is to take from Communist China in 1963, the first year of its 5-year agreement to import 700,000 tons (25.7 million bu.) of Chinese soybeans. An additional 70,000 tons (2.6 million bu.) was purchased outside the agreed contract, bringing Japan's total 1963 purchases to 220,000 tons (8.1 million bu.).

Increased purchases from China this year have been brought about mainly by increased U.S. domestic prices as well as by the current willingness of the Japanese soybean crushers to use Chinese beans for oil extraction. The quality of Chinese soybeans that Japan has imported this year is reported to be better than that of previous imports, and the oil content has been higher.

Canada Revises Oilseed Crop Estimates

On the basis of yields reported on October 15, estimates of Canada's 1963 flaxseed and sunflowerseed production have been revised upward substantially (*Foreign Agriculture*, October 21, 1963), while rapeseed and soybean estimates have been reduced, according to the Dominion Bureau of Statistics.

OILSEEDS, CANADA: ACREAGE, YIELD PER ACRE, AND PRODUCTION, AVERAGE 1955-59, ANNUAL 1962-63

Year	Flaxseed	Rapeseed	Soybeans	Sunflowerseed	Mustardseed
	ACREAGE				
	1,000 acres	*1,000 acres*	*1,000 acres*	*1,000 acres*	*1,000 acres*
Average, 1955-59	2,593	389	245	36	95
Annual:					
1962	1,445	371	221	23	103
1963	1,685	484	228	38	155
	YIELD PER ACRE				
	Bushels	*Pounds*	*Bushels*	*Pounds*	*Pounds*
Average, 1955-59	8.7	708	25.3	545	785
Annual:					
1962	11.1	789	29.9	755	560
1963 [1]	12.6	916	21.9	948	893
	PRODUCTION				
	1,000 bushels	*1,000 pounds*	*1,000 bushels*	*1,000 pounds*	*1,000 pounds*
Average, 1955-59	22,544	275,404	6,187	19,477	74,701
Annual:					
1962	16,042	293,000	6,608	17,360	57,700
1963 [1]	21,176	443,000	5,002	36,038	138,440

[1] As indicated on the basis of conditions on or about Oct. 15. Dominion Bureau of Statistics, Ottawa.

Flaxseed production, now placed at 21.2 million bushels, is one-third larger than last year's. Average yield per acre, at a near-record 12.6 bushels, was the largest in almost 50 years. Although export demand has been only fair to date, exports for the 1963-64 season (August-July) could reach 15 million bushels compared with 12.2 million in 1962-63.

Rapeseed production, at 443 million pounds (8.9 million bushels), was up 50 percent from last year. Yields averaged 916 pounds, 16 percent above those for the previous year and the second highest on record. Exports in 1963-64 are forecast unofficially at 6 million bushels.

Soybean production declined from that in 1962 by one-fourth to 5 million bushels. Dry weather in Ontario during the growing season reduced yields to 21.9 bushels compared with 29.9 last year. Unofficially, soybean imports during October-September 1963-64 are forecast at 16 million bushels, and exports, at 6 million.

At a record 36 million pounds, sunflowerseed production in 1963 was more than double that for last year. The indicated yield at 948 pounds per acre exceeded last year's by one-fourth.

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Production of mustardseed is placed at a record 138 million pounds compared with only 58 million a year ago. Average yields, at 893 pounds, were almost 60 percent above those of 1962.

Malaya's Exports of Copra and Coconut Oil

Net exports of copra and coconut oil from the Federation of Malaya and Singapore in January-July 1963 totaled 11,096 long tons, oil basis, compared with only 3,780 in the same months of 1962. This increase largely reflects smaller imports of copra—49,573 tons as against 55,502—and increased exports of copra—33,515 tons as against 26,972—resulting from the slight recovery in production during the first half of 1963.

Mozambique's Exports of Copra, Coconut Oil

Exports of copra and coconut oil from Mozambique during January-July 1963 were down by 4 percent to 22,302 long tons, oil basis, from 23,217 tons in the same period of 1962.

Exports of copra, down to 28,884 tons compared with 33,406 in the 1962 period, accounted for the decline. Coconut oil exports rose to 3,816 tons, against 1,837.

Indonesia's Exports of Copra, Palm Products

Registered exports of copra from Indonesia in January-June 1963, at 51,122 long tons, were almost one-third greater than the 38,789 tons exported in the same period of 1962.

January-June exports of palm oil were somewhat smaller in 1963—52,649 short tons, against 53,699 in 1962; but registered exports of palm kernels were somewhat larger—16,440 tons in contrast to 16,233.

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